

Section 1



General Description and Purpose of the State Child Health Insurance Plan

Section 1. General Description and Purpose of the State Child Health Plans and State Child Health Plan Requirements (Section 2101)

1.1 The state will use funds provided under Title XXI primarily for (Check appropriate box) (42 CFR 457.70):

- 1.1.1 X Obtaining coverage that meets the requirements for a separate child health program (Section 2103); OR**
- 1.1.2. Providing expanded benefits under the States Medicaid plan (Title XIX); OR**
- 1.1.3. A combination of both of the above.**

In May 1998, the Arizona legislature approved Senate Bill 1008 (Laws of 1998, Chapter 11) authorizing the implementation of a Title XXI Child Health Insurance Program. This program is referred to as KidsCare (see Attachment A). The passage of the legislation was the culmination of many meetings convened by Governor Jane Dee Hull and legislative hearings which provided a venue for the public to testify about the proposal. Additionally, staff from AHCCCS, Arizona's Medicaid program, have met continually with interested parties to discuss the implementation of the program.

Arizona submitted a Title XXI State Plan to extend health care coverage statewide for children up to the age of 19. The effective date for the State Plan was October 1, 1997 which enabled the state to prepare for the implementation of the program. Actual services were rendered beginning November 1, 1998. Income thresholds were set at 150% of federal poverty level (FPL) at the beginning of the program. Beginning October 1, 1999 income levels were raised to 200% of the FPL. Arizona does not impose a resource test for this population. AHCCCS performs all KidsCare eligibility determinations for new applicants and redeterminations of eligibility based on a simplified eligibility process. A process has been implemented to determine whether a child is eligible for Medicaid prior to a determination of eligibility for KidsCare.

Arizona provides KidsCare services through established AHCCCS health plans which are referred to as contractors throughout this document.

All children have a choice of available contractors and primary care providers in a geographic service area. Additionally, Native Americans can elect to receive services through the Indian Health Service (IHS), 638 tribal facilities or one of the contractors. The KidsCare service package is the same service package offered to Medicaid recipients. AHCCCS coordinates educational activities with the assistance of safety net providers, other state agencies, tribal entities and organizations, advocacy groups and other appropriate entities.

Copayments are assessed for all members, except Native Americans. In addition, families with income above 150% of FPL are assessed premiums. The total cost for premiums and copayments will not exceed 5 percent of the family income.

The number of children who are eligible for the program may be capped based on the available state and federal funding.

AHCCCS coordinates with other private and public programs which provide health care services to children. Arizona does not want to encourage employers or parents to discontinue current insurance coverage for children. Therefore, as a protection against “crowd out”, children must be without group health insurance for three months before eligibility will be granted for KidsCare.

The three month bare provision will be waived under the following circumstances:

1. Reached their lifetime insurance limit;
2. Are newborns;
3. Are transitioning Title XIX members;
4. Are applicants who are seriously or chronically ill;
5. Are Title XXI members who lose insurance coverage;
6. Are enrolled with Children's Rehabilitative Services; or
7. Are Native American members receiving services from IHS or a 638 Tribal Facility.

- 1.2 X Please provide an assurance that expenditures for child health assistance will not be claimed prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))**

AHCCCS assures that the expenditures for child health assistance are not claimed prior to the time that the state has legislative authority to operate the State plan or plan amendment as approved by CMS.

- 1.3 X Please provide an assurance that the state complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42CFR 457.130)**

AHCCCS ensures that the state complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35.

- 1.4 X Please provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this plan or plan amendment (42 CFR 457.65):**

Effective date: October 1, 2003

Implementation date: November 1, 1998